

Message Text

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ACTION L-03

INFO OCT-01 IO-13 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-07 CEA-01 OIC-02 AF-10 ARA-10 EA-10 EUR-12
NEA-10 JUSE-00 H-01 DODE-00 /150 W
-----076589 102035Z /75

P 101936Z JUL 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 1852
INFO USMISSION USUN NEW YORK

C O N F I D E N T I A L GENEVA 10453

E.O. 11652: GDS
TAGS: ECOSOC
SUBJECT: ECOSOC SUMMER SESSION 1978; ITEM 18, TNCS, COR-
RUPT PRACTICES

REF: STATE 168318

1. AS REQUESTED REFTEL, USDEL HAS CONTACTED SECRETARIAT
AND HAS BEEN ASSURED THAT REPORT OF WORKING GROUP ON COR-
RUPT PRACTICES WILL BE FORMALLY ISSUED AS ECOSOC DOCUMENT
MONDAY JULY 10 OR TUESDAY JULY 11. WHILE FORMAL REQUIRE-
MENT IS THAT DOCUMENTS FOR CONSIDERATION AT ECOSOC SHOULD
BE ISSUED SIX WEEKS BEFORE THE SESSION, THIS IS RARELY
COMPLIED WITH AND VIRTUALLY NEVER ENFORCED. AS WELL, IT
IS OBVIOUS THAT, WITH THE WORKING GROUP MEETING ONLY THE
WEEK IMMEDIATELY PRIOR TO ECOSOC, THE REGULATION COULD
SIMPLY NOT BE APPLIED IN THIS CASE. IN FACT, DEL HAD
HEARD COMMENTS TO THE EFFECT THAT THE SECRETARIAT AND
RAPPORTEUR HAVE BEEN UNUSUALLY EFFICIENT IN GETTING THE
REPORT OUT SO QUICKLY. IN SUM, THERE WILL BE NO PROBLEM
WITH ECOSOC RECEIVING THE REPORT OF THE WORKING GROUP.

2. USDEL REQUESTED THAT FIRST (ECONOMIC) COMMITTEE
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BE JUGGLED IN ORDER THAT IT CONSIDER AGENDA ITEM
18, TRANSNATIONAL CORPORATIONS, DURING THE LAST WEEK OF
THE COMMITTEE, JULY 24-28. THIS CHANGE IN CALENDAR WAS
APPROVED BY THE COMMITTEE OVER OBJECTIONS OF RUSSIAN DEL
WHO INSINUATED THAT US WAS ATTEMPTING TO AVOID DISCUS-
SION OF TNCS IN ORDER TO PROTECT ITS BUSINESS INTERESTS.

3. DEL HAS SPOKEN AT LENGTH WITH REPS FROM ARGENTINA, BRAZIL, UK AND FRG. ARGENTINE REP PARTICULARLY SEEMED INTERESTED AND LISTENED ATTENTIVELY TO US PITCH. HE EXPRESSED PERCEPTION THAT THE TEXT WAS IMBALANCED IN FAVOR OF TNC OFFICIALS, AND THAT IF BRIBE TOOK PLACE IN A THIRD COUNTRY, TNC EMPLOYEE COULD NOT BE PROSECUTED WHILE OFFICIAL WOULD BE. IN THIS SENSE, HE FELT TEXT WAS BIASED IN FAVOR OF TNCs. MISOFF ARGUED STRENUOUSLY AGAINST THIS REASONING, AND FEELS THAT WE'VE MADE SOME HEADWAY WITH ARGENTINA. REP WHO HANDLED ITEM LAST YEAR, WHO IS FROM ARGENTINE MISSION GENEVA WAS VERY HELPFUL, AND WILL BE AGAIN ASSIGNED TO TNCs. HE WAS UNDER INSTRUCTIONS LAST YEAR TO COOPERATE WITH US INITIATIVE AND MOST LIKELY WILL BE AGAIN.

4. BRAZILIAN REP WAS MORE RETICENT, EXPRESSING DOUBT OVER WHETHER G-77 CONCERNS FOR LINKAGE OF CORRUPT PRACTICES AND CODE OF CONDUCT HAD BEEN MET. HE QUESTIONED WHETHER CODE OF CONDUCT HAD REALLY IN FACT MADE CONSIDERABLE PROGRESS. MISOFF SUSPECTS THAT, LIKE LAST YEAR, THE BRAZILIANS WILL NOT BE OF MUCH HELP.

5. FRG EXTREMELY RETICENT ON US PROPOSAL FOR PLENIPOTENTIARY CONFERENCE. TO WHAT EXTENT FRG VIEWS ALSO REFLECT CONCERNS OF OTHER EC-9 COUNTRIES IS UNCLEAR (SEE PARA 6 BELOW FOR COMMENT ON UK POSITION). GERMANS HAVE EXPRESSED CONFIDENTIAL

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TWO CONCERNS: ARTICLE 7 ON SOUTH AFRICA IN TEXT GIVES THEM PROBLEMS. THEY ALSO FEEL THAT TOO MANY ISSUES ARE STILL UNRESOLVED. IN RESPECT OF LATTER POINT GERMANS ARGUE THAT US IS NOT CONSISTENT WHEN IT COMES TO EXPRESSING ITS VIEWS ON WHETHER A GIVEN MATTER IS SUFFICIENTLY PREPARED TO WARRANT CONVENING A PLENIPOTENTIARY CONFERENCE. THEY RECALL, FOR EXAMPLE, THAT US STRENUOUSLY OPPOSED AT THE 32ND GA THE PROPOSAL TO CONVENE A PLENIPOTENTIARY CONFERENCE TO NEGOTIATE THE CONSTITUTION OF UNIDO ON THE GROUNDS THAT SIGNIFICANT ISSUES IN THE DRAFT TEXTS HAD NOT YET BEEN RESOLVED AT THE TECHNICAL LEVEL. GERMAN COUNTERPROPOSAL IS TO HOLD DISCUSSIONS IN OECD DURING FALL 1978, RETURN TO UN WORKING GROUP FOR 2 MEETINGS DURING WINTER OF 1979, AND TO ASK 1979 SPRING ECOSOC TO SCHEDULE A PLENIPOTENTIARY CONFERENCE FOR 1980. USDEL ARGUED AT LENGTH AGAINST THIS, BUT FEELS THAT GERMAN RESISTANCE IS AND WILL PROBABLY REMAIN STRONG.

6. UK RESISTANCE APPEARS NOT AS STRONG AS GERMANS. DEL HAS CABLED US RESOLUTION BUT IS STILL AWAITING INSTRUCTIONS FROM LONDON.

7. OUR RESOLUTION HAS BEEN WIDELY CIRCULATED -
AMB. WELLS WILL DISCUSS IT WITH AMB. MILLS (JAMAICA),
PRES. OF ECOSOC AND SPOKESMAN FOR G-77, AND WILL ASK
THAT 77 CONSIDER IT FAVORABLY. LOBBYING WILL CONTINUE
AND DEL WILL REPORT FURTHER DEVELOPMENTS. VANDEN HEUVEL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CORRUPTION, BRIBERY, INDUSTRY, COMMITTEE MEETINGS, BUSINESS FIRMS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA10453
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780282-0605
Format: TEL
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780780/aaaacpop.tel
Line Count: 121
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9589e378-c288-dd11-92da-001cc4696bcc
Office: ACTION L
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STATE 168318
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2072730
Secure: OPEN
Status: NATIVE
Subject: ECOSOC SUMMER SESSION 1978; ITEM 18, TNCS, COR- RUPT PRACTICES
TAGS: EGEN, EINV, ECOSOC, UN
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/9589e378-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014